

Digest of A Performance Audit of Applied Technology Education Funding

The State Legislature should develop a more rational approach for distributing funds for applied technology education. Over the years, state officials have made numerous changes to the funding formula as they have tried respond to many individual funding needs. As a result, funding for applied technology education has evolved into an overly complex process which is not guided by a unifying set of policies which apply statewide. Because different rules apply to different circumstances, some regions receive a greater share of state funds simply because they draw from a better set of funding sources than others. We recommend that the Legislature study the problems identified in this report and consider developing alternative strategies for funding applied technology education.

The specific findings in this report include:

Funds for Applied Technology Education are not Distributed Evenly. The state's current approach for funding applied technology education does not distribute funds in an equitable manner from region to region or from school district to school district. For both adult and secondary programs, some regions receive far more public funds per capita than other regions. On a region by region basis, we compared the total funding for applied technology education for both secondary and adult programs to the total number of high school students and working-age adults living in each region. We found that the secondary programs in the Wasatch Front South Region, the Mountainlands Region and the Southwest Region received almost half as much funding per student in several other regions. For programs serving adults, we found that the Davis Region and the Wasatch Front South Region received the lowest per capita levels of funding in the state.

Some State Funding Policies are not Equitable. We identified several ways in which the state's funding policies and practices led to an uneven distribution of funds for applied technology education. Perhaps the single greatest cause is the fact that the state provides funding for full-scale applied technology centers in only five of the nine regions of the state. However, there are other inequities created by the state's funding policies. For example, one state policy effectively double-funds secondary student enrolled at ATCs and colleges. This policy results in over \$2 Million in expenditures which only benefits school districts which have good access to applied technology centers and colleges. In addition, we are also concerned about the practice of using student enrollment as the only basis for funding applied technology education because it provides poor incentives and because we found several inconsistencies in the manner in which institutions track student enrollment.

The Legislature Should Consider New Funding Strategies. We do not believe that

the inequities in the state's funding policies can be corrected by simply creating additional ATC facilities in the regions which do not have them. This piecemeal approach to resolving such issues is what caused the problem to begin with. If legislators wish to address the funding problems identified in this report, we recommend that they consider alternative approaches for funding applied technology education which would be applied uniformly throughout the state. In addition, legislators should consider ways to reward institutions for how well they accomplish specific performance objectives. For example, legislators may wish to develop a funding formula which links the amount appropriated to a performance measure such as student placement rates.

We also recommend that the budget process be integrated into a larger strategic planning process in which the performance and cost effectiveness of programs are considered as well as the amount of funds needed in each region. As long as the bulk of funding for applied technology education is appropriated to individual institutions in each region, there will be little incentive for them to come together and use those resources in a combined fashion. To make sure funds are used more efficiently, we recommend that each region be required to prepare a comprehensive strategic plan which describes how funds will be used and that the use of those funds be contingent on the approval of regional plans by a statewide governing board for applied technology education.

In another report to be released soon, we will discuss the need for improved governance, the costs of individual programs, and the placement rates of past graduates of the state's applied technology programs.